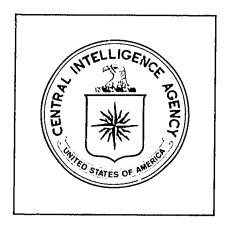




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STAFF NOTES:

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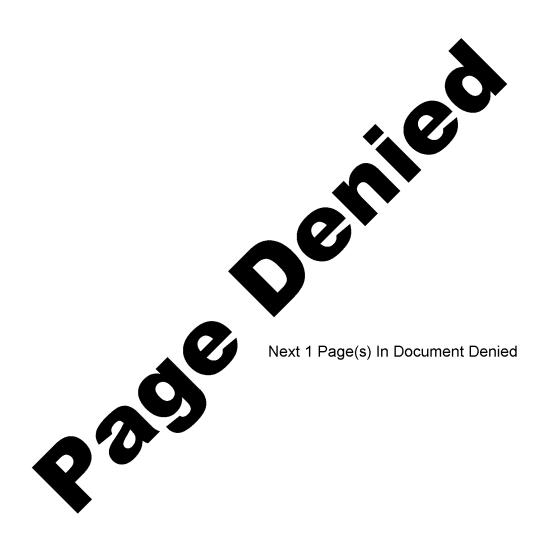
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Historical Frictions Between Algeria and France Linger

Recent incidents involving Algerian workers in France and French citizens of Algerian extraction visiting Algeria have marred bilateral relations.

The bombing in late July of an Algerian office building and a cultural center in France set off a storm of press criticism in Algiers of Paris' alleged toleration of and indifference to attacks on Algerian interests. Shortly thereafter, the status of the harkis--Algerians who sided with the French during the war for independence and subsequently opted for French citizenship--was spotlighted by the French media when a young harki boy was prevented from leaving Algiers. To retaliate, harkis in France seized several Algerian workers as hostages. French authorities intervened and Algiers released the boy.

The sense of recrimination that accompanied these disputes is a legacy of the bitter colonial period that persists despite the efforts of both governments to build a more cooperative relationship. French President Giscard d'Estaing's visit to Algeria last April—the first to independent Algeria by a French chief of state—helped lay the basis for improved relations. For its part, Algiers recognizes the need for good relations. France remains Algeria's primary trading partner, the most likely source of future foreign investment, and an important safety valve for reducing unemployment at home.

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Portuguese Military Factions Moving Toward Showdown

The Portuguese Revolutionary Council issued no communique after its session August 12, but the US embassy in Lisbon believes that dissident spokesman Lourenco probably presented an ultimatum to the Council calling for the dismissal of Prime Minister Goncalves. The nine dissidents suspended from the Revolutionary Council last week have widespread military support for the anti-regime manifesto drafted by former foreign minister Antunes.

Navy Commander Crespo--one of the nine dissidents, and whose name has been mentioned as a possible replacement for Goncalves--told Western diplomats Monday that the Antunes group had the support of 80 percent of the armed forces and that if the President did not respond to the dissidents' demands, "just wait a week." This is the first indication that the dissidents might consider the use of force to remove Goncalves, although Crespo said repeatedly the group is determined to avoid force if at all possible. Crespo claimed that the dissidents' effort had the backing of security chief Otelo de Carvalho, a key to control of the best disciplined troops in the Portuguese armed forces.

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General Otelo de Carvalho may be making a move of his own. He is meeting today with high-level military officials, including the regional commanders, certain unit commanders, and representatives of the Armed Forces Movement—a group to number about 100. One of the more balanced Lisbon dailies yesterday quoted "reliable sources" to the effect that Carvalho does not support the

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dissident manifesto and that the security chief is preparing a "constructive alternative" plan of his own. The plan is said to be slightly to the left of the dissidents' document, but also strongly critical of the pro-Communist officers headed by Prime Minister Goncalves.

Such a compromise solution might be attractive to the confused Portuguese military, if that is indeed the motivation for the meeting. Other reports, however, indicate that the meeting is primarily aimed at finding a solution for the violence in the north before it gets entirely out of hand.

The ideological lines between the struggling military factions are blurred, as was demonstrated when Commander Crespo told western diplomats that he resented being called a "moderate," preferring the term "revolutionary." Crespo pointed out that he believes most enterprises should be owned by the state and that it is inappropriate for Portugal to remain an active member of NATO.

Crespo argued that Portugal was paying too high a political price for its NATO membership, and that Portugal's principal goal was to serve as a bridge between Europe and Africa. Former foreign minister Antunes has long been the leading exponent of a Third World orientation in Portuguese foreign policy. Crespo stated that his views on NATO did not extend to bilateral military arrangements with individual NATO members. Such arrangements—including the US presence at Lajes air base in the Azores—are beneficial to Portugal.

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